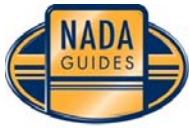


Market Insights

NADAguides

Powersports Market Update

July-August, 2014



Industry Overview

Over the last three to four years, used sales have been extremely strong in the powersports industry; overshadowing new unit sales. For the fourth consecutive month, dealers are reporting to NADAguides that this trend has cooled, and that new unit sales are experiencing a steady increase in volume over used units. This growth in new unit sales is putting downward pressure on used values.

Dealers reported that cruisers and touring bikes were in high demand earlier in the Summer, but as the season draws to a close, the sport and motocross bikes are gaining market share.

Dealers are quickly depleting their inventory of new 2014 units, and they are replacing them with 2015 models; many dealers have stated that used units are not selling like they have in recent years.

As we look toward the cooling Fall months and mid-term elections, most segments will follow the typical seasonal slowdown. Consumers in the market will look for new units to satisfy their craving. The result will be a softening of the used powersports market.

Best Selling Categories Within the Last 60-Days

ATV (Utility)

24.1%

Cruiser

24.1%

Side-by-Side (Utility)

24.1%

Touring

14.8%

Sport

5.5%

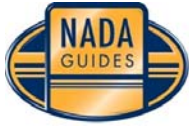
3-Wheel

5.5%

MX

1.9%

Source: NADAguides, Inc.



NADAguides Data Overview

For the July 2014 update of the NADAguides powersports data, various marketplace indicators and dealer survey input supported slight downward pressure on most used price segments; with flat to positive increases in utility and dirt bike categories.

Average Update-to-Update Change by Category

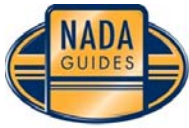
Street Bikes	Utility Vehicles	Dirt Bikes
-0.6%	0.1%	0.1%

Source: NADAguides, Inc.

NADAguides Average Edition-Over-Edition Percent of Change by Unit Type				
Unit Type Abbreviation	Unit Type	Rough Trade-In	Clean Trade-In	Average Retail
3-W	3-Wheel Cycle	📉 -0.4	📉 -0.6	📉 -0.5
6-W	6-Wheel ATV	➡ 0.5	➡ 0.7	➡ 0.9
8-W	8-Wheel ATV	➡ 0.5	➡ 0.7	➡ 0.9
ATL	All Terrain/Lights	📉 -0.5	📉 -0.4	📉 -0.3
ATT	All Terrain Tractor	📉 -0.5	📉 -0.4	📉 -0.3
ATV	All Terrain Vehicle	📉 -0.5	📉 -0.4	📉 -0.3
C	Racer (not MX)	📉 -0.5	📉 -0.5	📉 -0.5
C/T	Cruiser/Touring	📉 -0.7	📉 -0.8	📉 -0.6
CRU	Cruiser	📉 -0.7	📉 -0.8	📉 -0.6
D	Dirt (not MX)	📉 -0.2	➡ 0.0	➡ 0.1
DS	Dual Sport	➡ 0.2	➡ 0.4	➡ 0.5
E	Enduro	📉 -0.2	➡ 0.0	➡ 0.1
MB	Mini Bike	📉 -0.4	📉 -0.2	📉 -0.1
MX	Moto Cross	📉 -0.2	➡ 0.0	➡ 0.1
RT	Road/Trail	➡ 0.3	➡ 0.4	➡ 0.5
S	Scooter	📉 -1.8	📉 -1.7	📉 -1.6
S/T	Sport Touring	📉 -0.5	📉 -0.5	📉 -0.5
SAT	Sport ATV	📉 -1.3	📉 -1.2	📉 -1.1
SPT	Sportbike	📉 -0.5	📉 -0.5	📉 -0.5
SXS	Sport Side-by-Side	📉 -0.4	📉 -0.1	➡ 0.2
T	Trail	📉 -0.2	➡ 0.0	➡ 0.0
T/L	Trail/Lights	📉 -0.2	➡ 0.0	➡ 0.0
TOU	Touring	📉 -0.4	📉 -0.4	📉 -0.4
TR	Trials	➡ 0.3	➡ 0.4	➡ 0.5
UAT	Utility ATV	➡ 0.5	➡ 0.7	➡ 0.9
UTL	Utility Side-by-Side	➡ 0.5	➡ 0.7	➡ 0.9

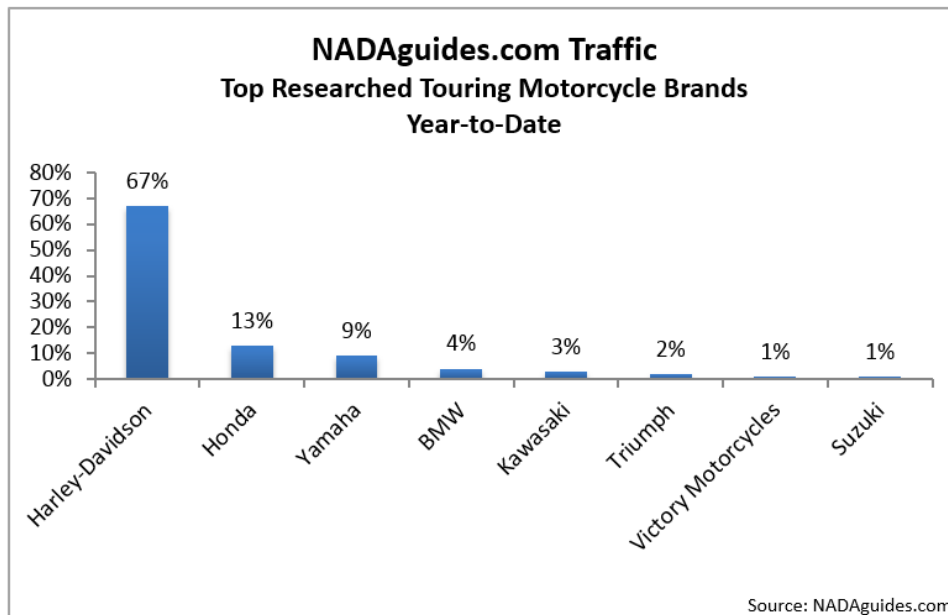
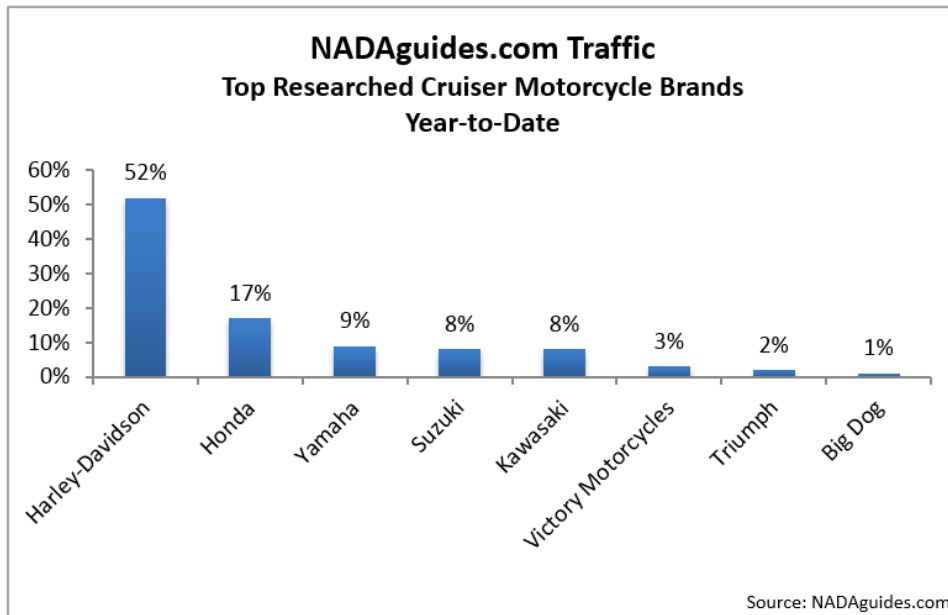
Figures represent the percent change, on average based on unit type, between the May 2014 update and the July 2014 update of the NADAguides Powersports CONNECT.

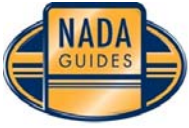
Source: NADAguides, Inc.



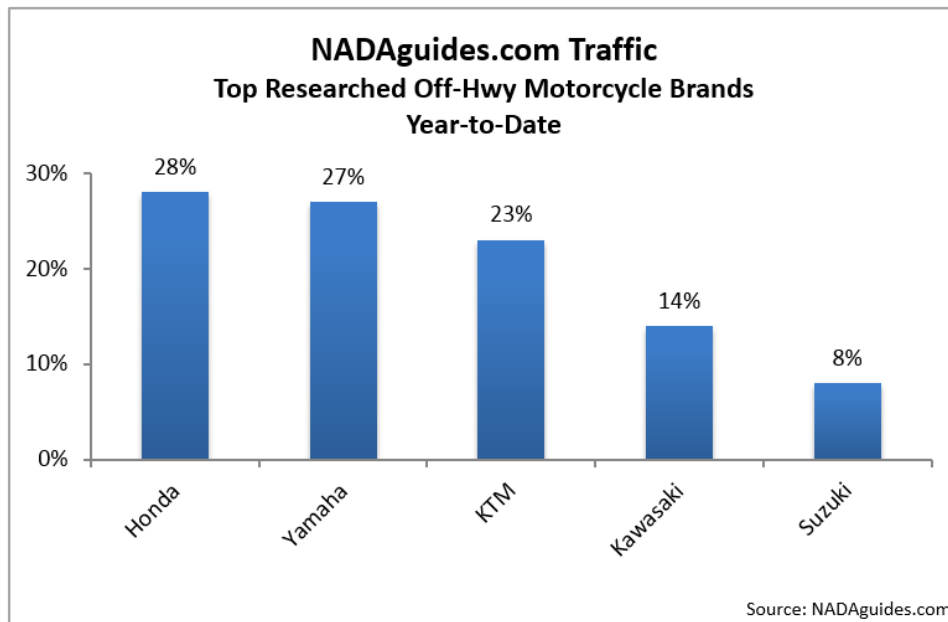
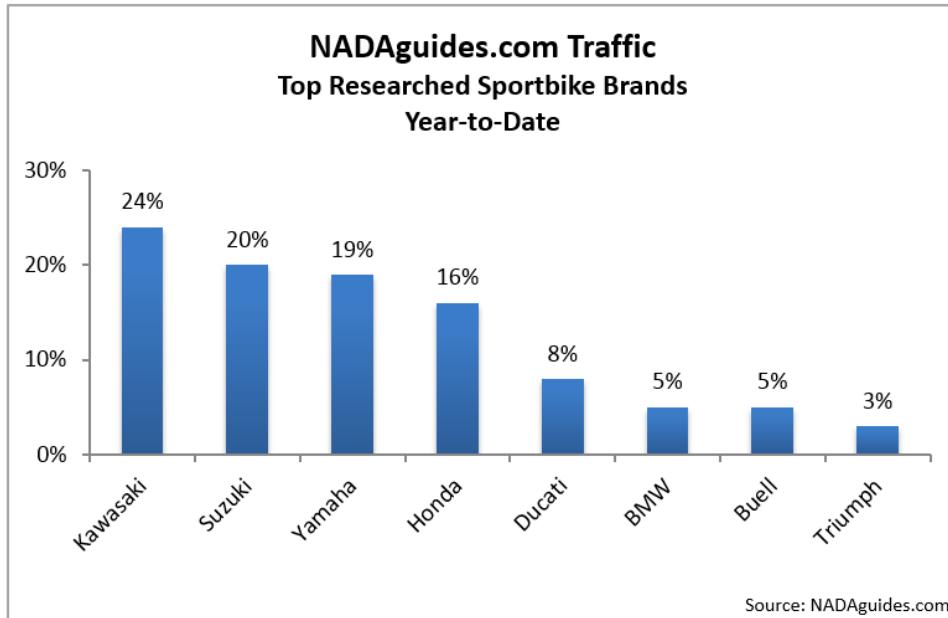
NADAguides Consumer Overview

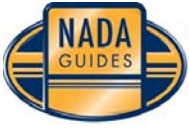
NADAguides.com offers a broad range of information and services to consumers in the market to buy, sell, trade, or simply shop for a motorcycle, ATV, or snowmobile. Consumer behavior is a key indicator in predicting market activity. Included in the Consumer Overview section of the NADAguides Market Insights, readers will find the most researched brands and regional activity for January-July 2014.



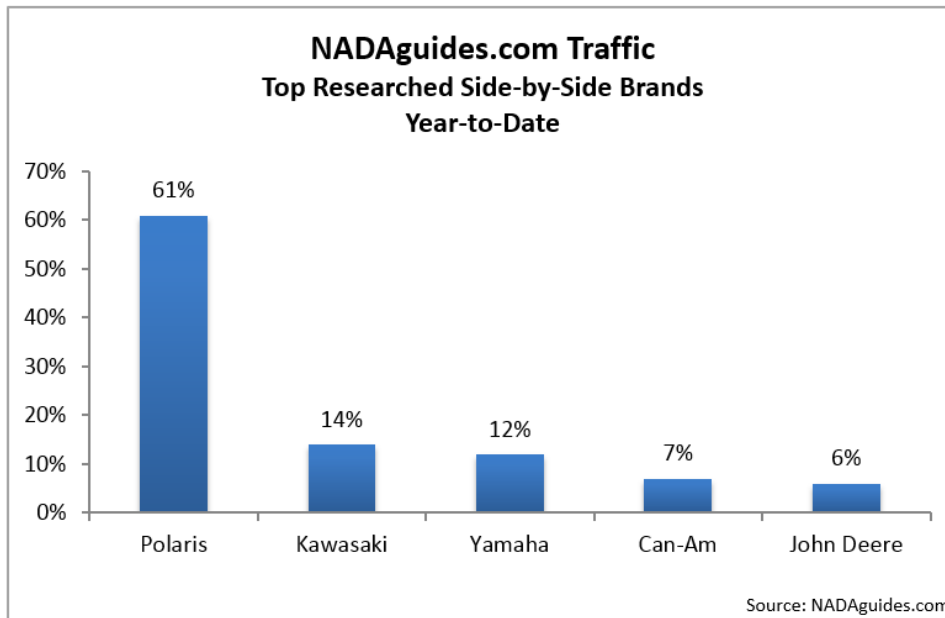
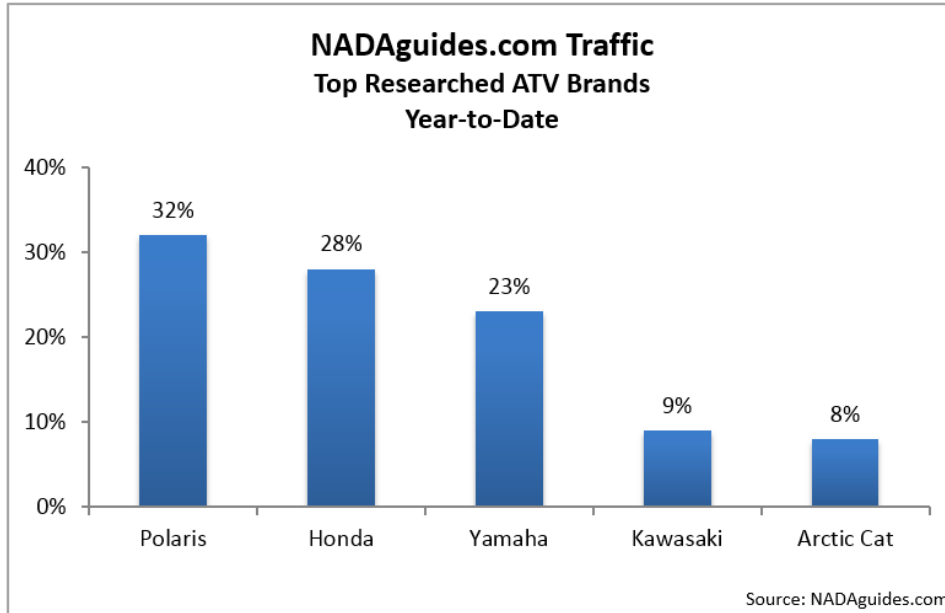


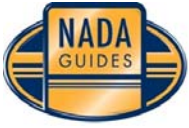
NADAguides Consumer Overview



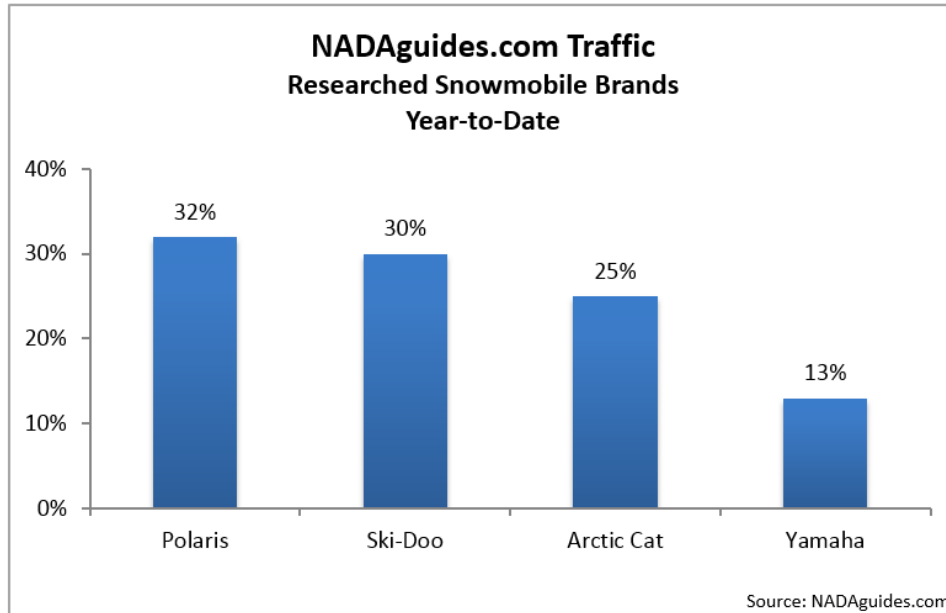


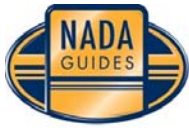
NADAguides Consumer Overview





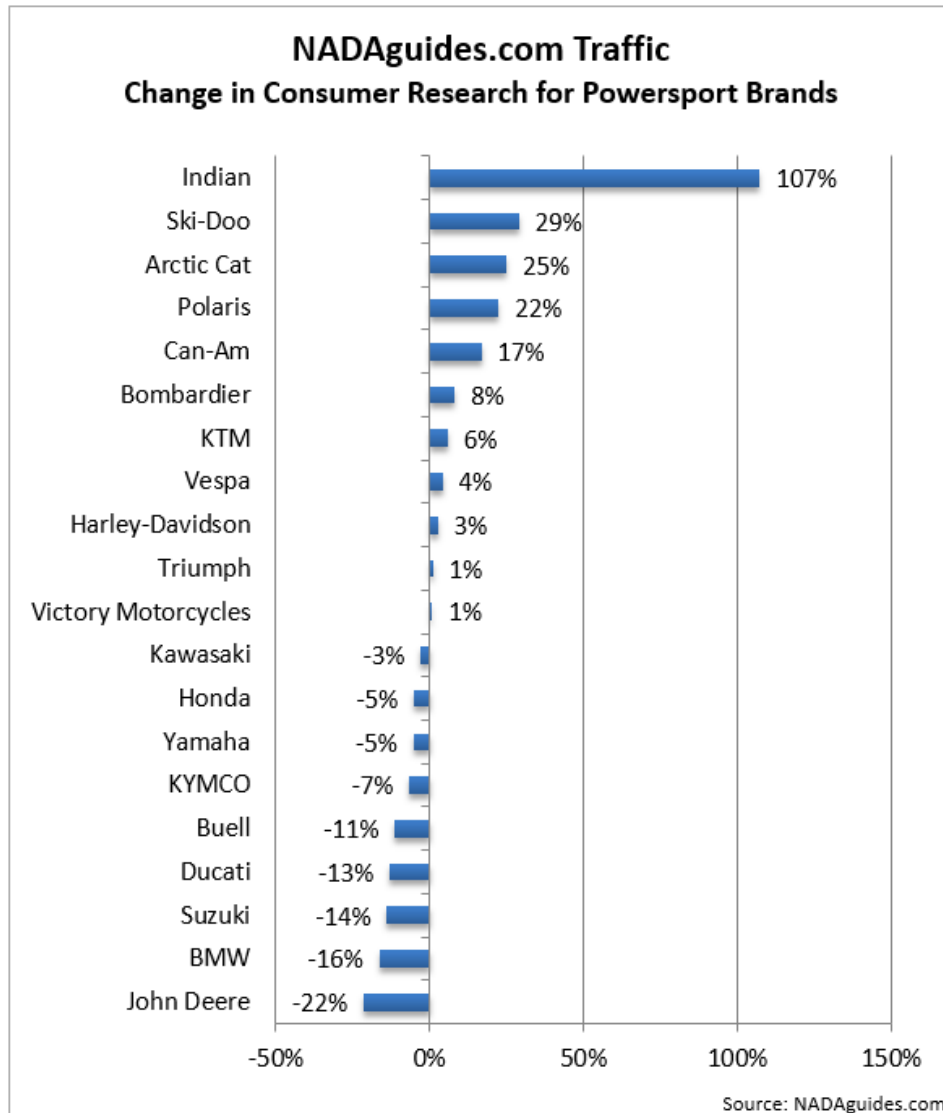
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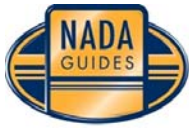




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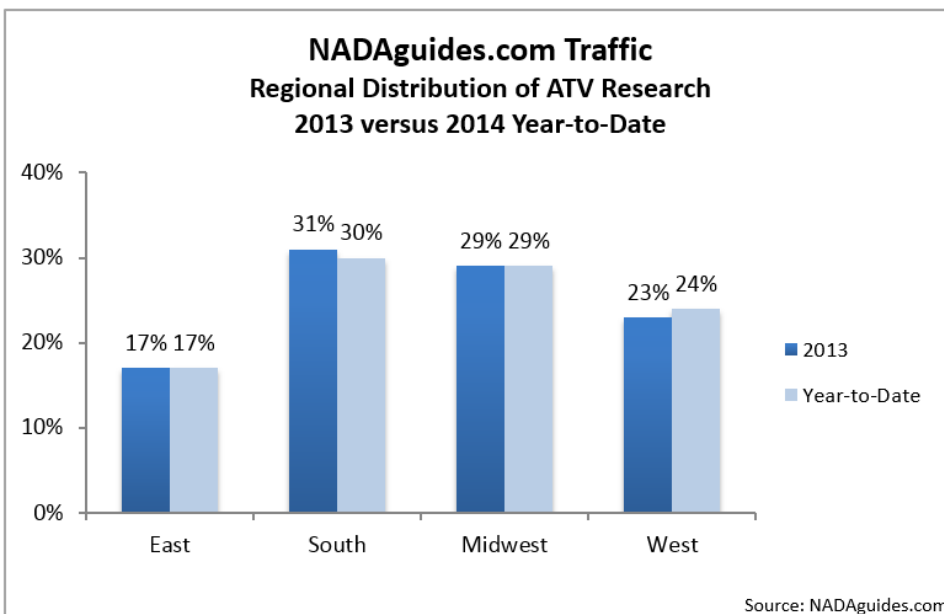
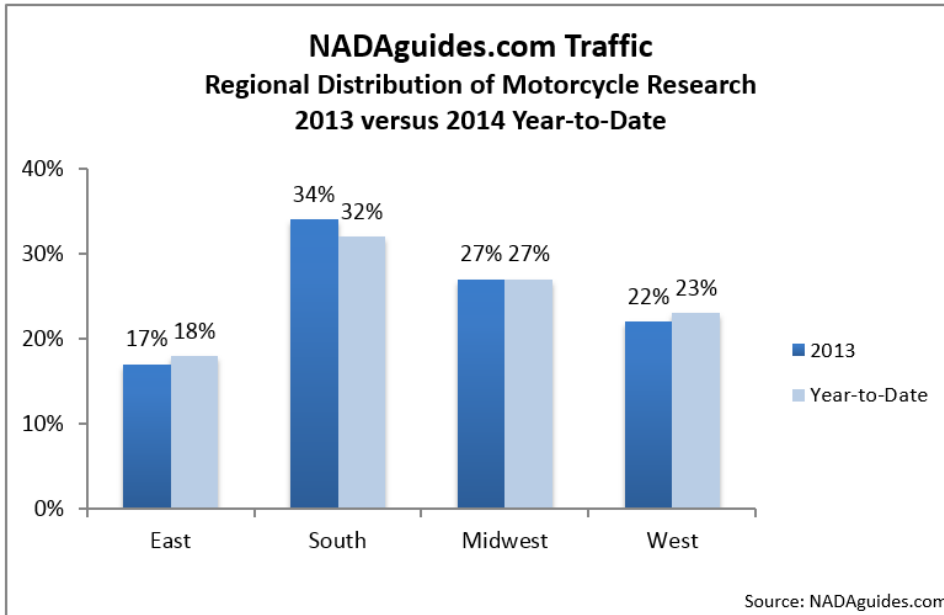
The figures below are based on consumer powersports traffic on NADAguides.com and are calculated by comparing the change in percentage of lookups, for the top 20 researched manufacturers, January-July 2013 as compared to January-July 2014.

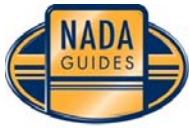




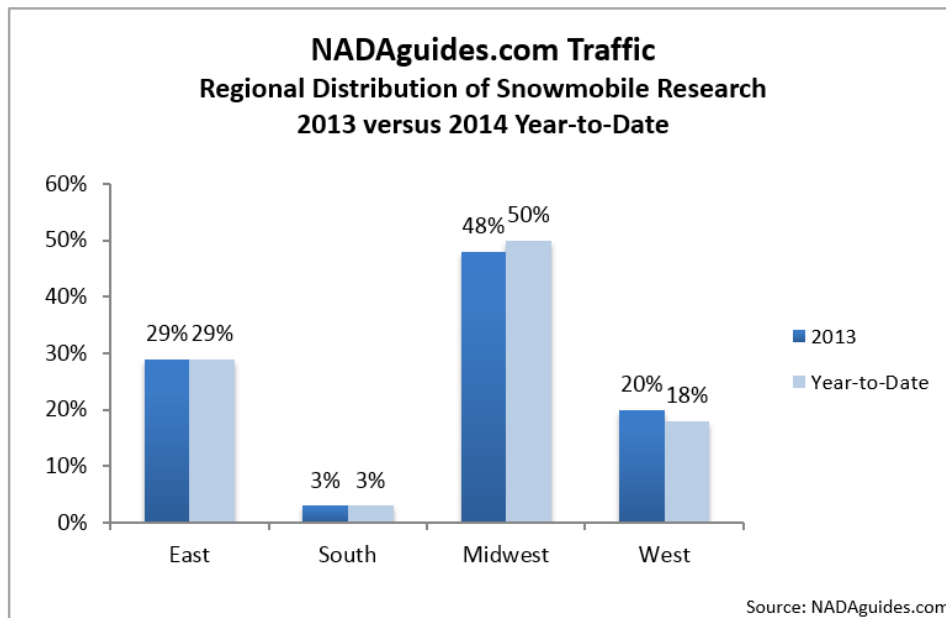
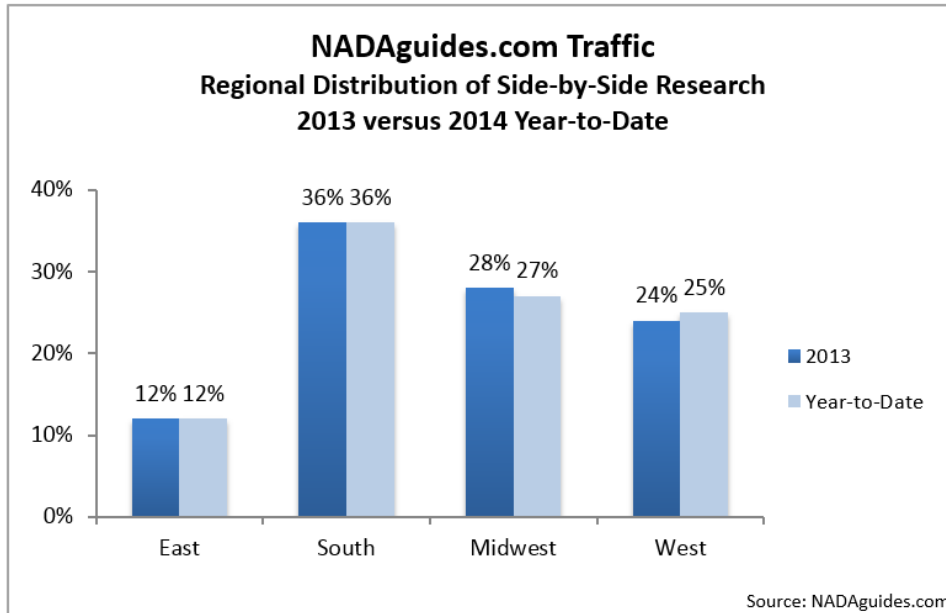
NADAguides Consumer Overview

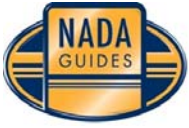
The NADAguides powersports data is based on national averages; however, our analysts recognize the significance of regional variance by unit type. The following charts represent consumer traffic based on four regions. Traffic percentages for 2013 are offered as a comparison to the year-to-date 2014 traffic.





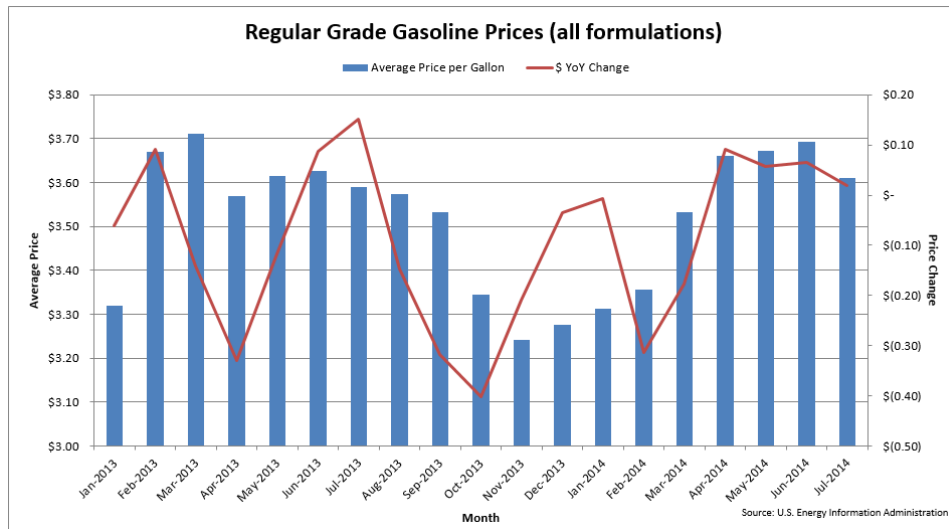
NADAguides Consumer Overview

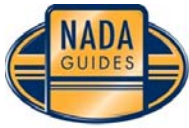




Fuel Price Data

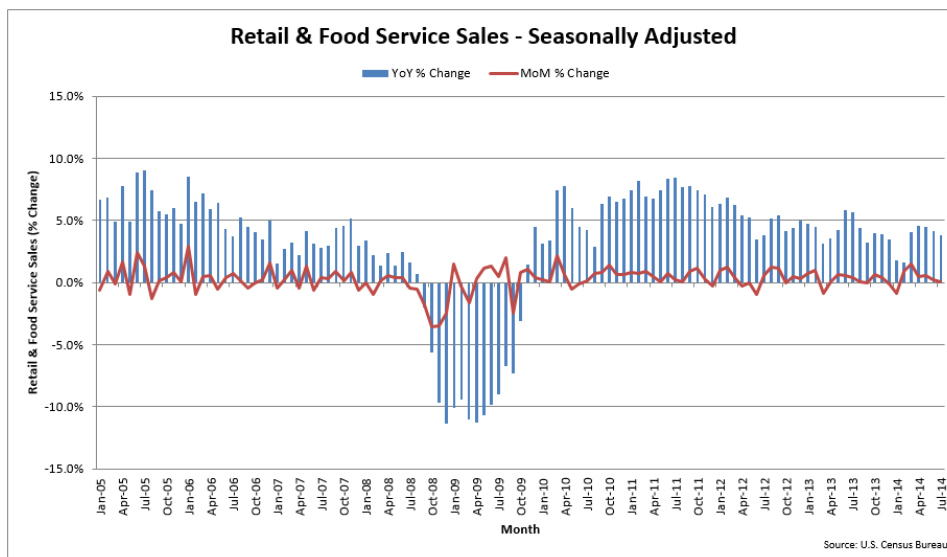
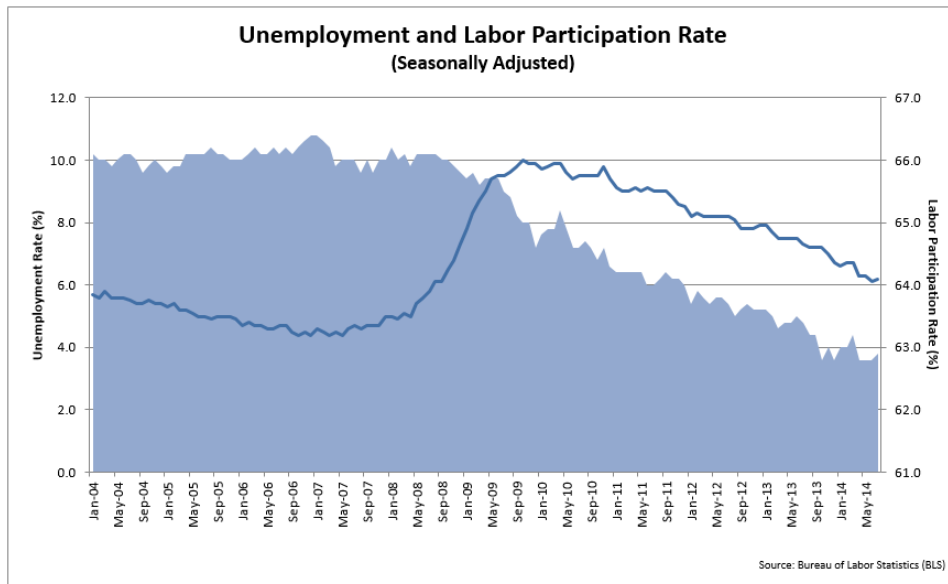
A view of the national average gasoline prices and year-over-year change is supplied to provide support for longer-term strategic planning.

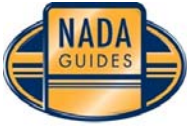




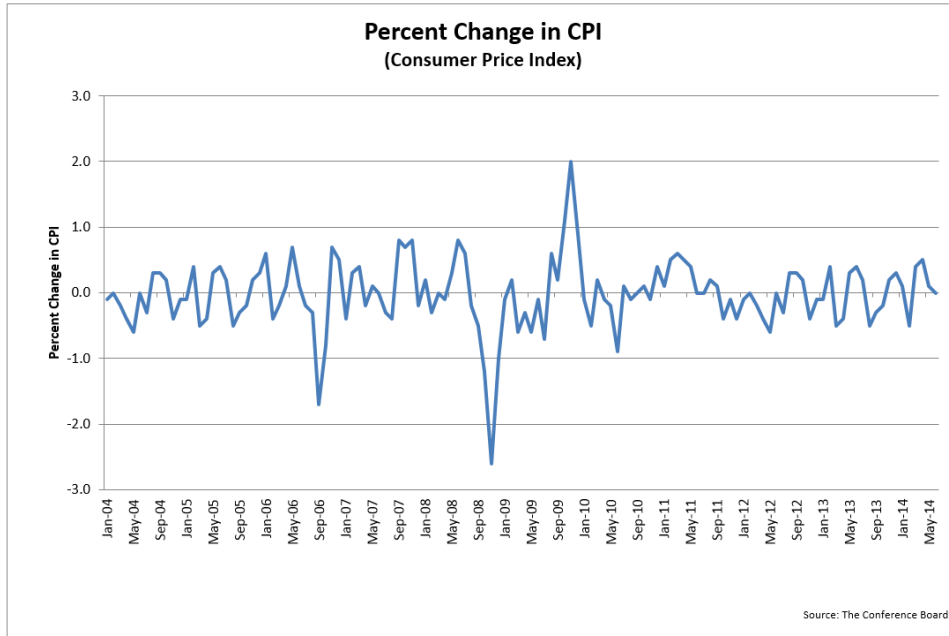
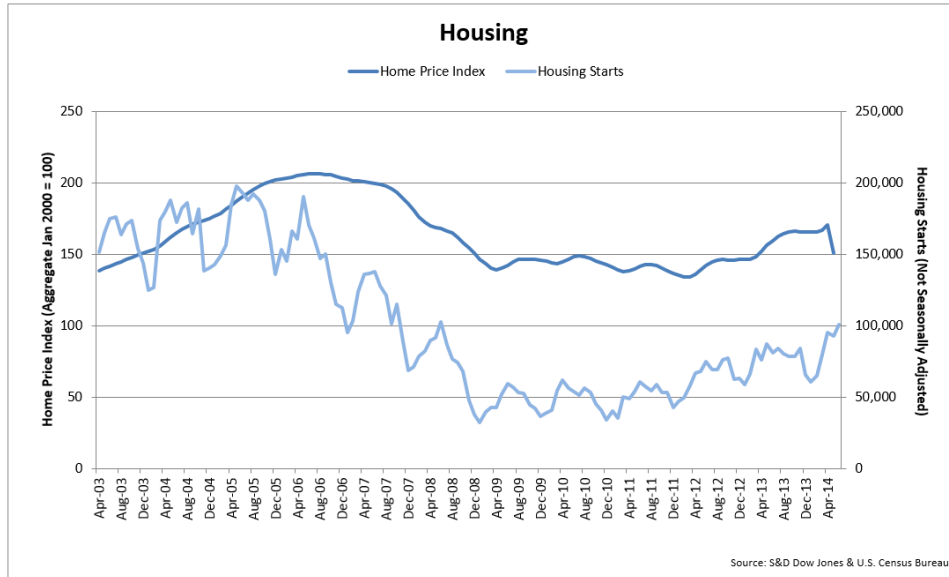
Economic Data

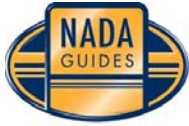
A number of important economic factors affect the powersports market, including the unemployment rate, retail sales, the housing market, and the Consumer Price Index (a measure of inflation). These factors can be interpreted to represent the consumer's ability and willingness to make a new or used motorcycle or ATV purchase.





Economic Data





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